



AUCTION IN BARS TEST PROGRAM

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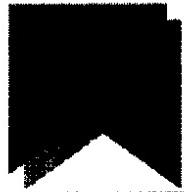
Auction in Bars

Test Program Objective

- To provide news and excitement to YAS and Marlboro franchise
- Create smoker networks
- To evolve Marlboro Miles to provide value for
Marlboro smokers beyond gear + catalog programs

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Auction in Bars

Program Concept

- Auction will be held in neighborhood bars
- Auction will be live
- Smokers will learn about auction through alternative ROP, in-bar POS materials and Direct Mail
- Smokers would bring their miles to the bar to bid for items
- Ideally, action in bar would stop every half-hour/hour while an item is bid off

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Auction in Bars

Markets

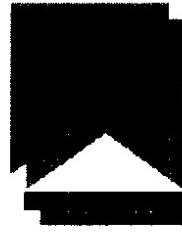
- 2 nights in 1 market. Options include :
 - New York (Queens area) ~~or Hoboken~~ - Bayside
 - St. Louis ~~New Orleans~~
 - Chicago (auction via media) ? ~~San Antonio~~
- Final selection of market and timing will depend on auction rules and requirements (licenses, filing etc.) for the market

Timing

- Mid-June
- Nights would be a week/2 weeks apart

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Auction in Bars

Items for Bid

- 4 items will be bid during an auction night
- 3 carry home items such as leather jacket, pool cue etc.
- 1 headliner item (last one up for bid) such as a Wurlitzer Juke Box or a Pool table

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Auction in Bars

Communication Strategy

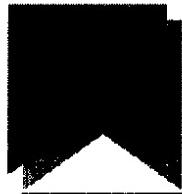
- 2 options being considered
 - Items up for bid would not be called out in advertisement
 - Excitement / spontaneity
 - Item would not drive auction
 - Items being bid would be called out in advertisement
 - Potentially more interest, but items would drive bidding

Communication Vehicles

- Alternate ROP / to-do guides & other local YA publications
 - In-bar POS prior to auction night
 - Direct Mail to YAS on database
- specify in lot value of Items or show
picture of items*

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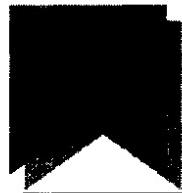
Auction Rules /Logistics

- Diamond Group to write rules for market selected
- Licensed auctioneer will need to be hired

also run auction media

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Auction in Bars

Licensing, etc. Have to file at least 30 days before date.

Next Steps

- | | |
|------------------------------------|----------|
| • Finalize Market | w/o 4/19 |
| • Brief Event Agency | w/o 4/19 |
| • Review 1st Round Comps | w/o 4/19 |
| • Amend contract with event agency | w/o 4/26 |
| • Review Final Comps | w/o 4/26 |
| • Finalize items | w/o 4/26 |
| • Review Auction Rules | w/o 4/26 |
| • Bar recommendations | w/o 4/26 |
| • A&K due | w/o 4/31 |
| • Hire Live Auctioneer | w/o 5/3 |

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- Send 25 mile certificate in direct mail
- 25 mile coupon/certificate at bar with name from
- Can't join ^{Certificate} miles together